

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7426

BILL NUMBER: SB 578

NOTE PREPARED: Feb 25, 2013

BILL AMENDED: Feb 18, 2013

SUBJECT: Contract Review by Budget Committee.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR: Rep. T. Brown

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) *Sale of Property*: The bill adds Ivy Tech Community College, University of Southern Indiana, and Vincennes University to the chapter governing the sale of real estate by other state educational institutions.

Monetize Capital Asset: The bill provides for Budget Committee review before an agreement between a state educational institution and a third party may be entered into if the agreement is to monetize a capital asset and the agreement has an annual transactional value that exceeds \$1,000,000, a total transactional value that exceeds \$5,000,000, or a term, including the initial term and any renewal terms, that exceeds 10 years.

Effective Date: (Amended) Upon Passage.

Explanation of State Expenditures: (Revised) *Sale of Property*: Including Ivy Tech Community College, University of Southern Indiana, and Vincennes University in the statute governing the sale of real estate by other state educational institutions should clarify the process and have minor, if any, fiscal impact.

(Revised) *Monetize Capital Asset*: The bill could increase the time needed to monetize a capital asset with an annual transaction over \$1 M, a total transaction over \$5 M, or a term over 10 years. The impact is probably minor.

(Revised) *Background*: Monetize refers to an exchange of part or all of the possession and controls of a capital asset or security without a transfer of ownership.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State educational institutions; State Budget Committee.

Local Agencies Affected:

Information Sources:

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